

**12/13/77**

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THE PRESIDENT'S SCHEDULE

Tuesday - December 13, 1977

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8:15 Dr. Zbigniew Brzezinski - The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:30 Mr. James McIntyre - The Oval Office.

1:30 Budget Review Meeting. (Mr. James McIntyre).  
(2 hrs.) The Cabinet Room.

4:00 Christmas Reception for Members of Congress  
(60 min.) and Their Families - The State Floor.

**ADMINISTRATIVELY CONFIDENTIAL**

**THE WHITE HOUSE  
WASHINGTON**

**December 13, 1977**

**Frank Moore**

**The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.**

**Rick Hutcheson**

**RE: TARGET PRICES FOR 1977-CROP  
SORGHUM AND BARLEY - COMMENT ON  
BERGLAND MEMO**

THE WHITE HOUSE  
WASHINGTON

*Admin  
copy*

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<input type="checkbox"/>	FOR INFORMATION
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<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
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<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
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<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
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<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
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<input type="checkbox"/>	FIRST LADY
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<input type="checkbox"/>	JAGODA
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<input type="checkbox"/>	SCHNEIDERS
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<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.  
THE WHITE HOUSE  
WASHINGTON

December 12, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Target Prices for 1977-Crop  
Sorghum and Barley - Comment on Bergland Memo

*Frank -  
Talk to Bergland  
& then to Committee  
Chairmen or to me.  
Minimize '77 payments  
without violating Bob's  
Commitment - keep  
this confidential &  
report to me  
J.C.*

Since 1977-crop price supports were set by the expiring legislation, it was our initial intention not to treat them at all in the new farm bill. However, in the face of falling farm prices and incomes, the Congress broadened its coverage of the new bill to include the 1977 crop for some commodities.

While it is accurate that cost of production-based target prices were understood to be applicable for 1978 crops and for certain 1977 crops, the point which Jim McIntyre and I made in our earlier memo was that this had carried no obligation to extend this principal to 1977 barley. This commitment was made by the Department of Agriculture. We continue to believe, along with OMB, that the recommendations in our earlier memo should be followed, to wit Secretary Bergland should attempt to convince the leadership of the agriculture committees not to establish a cost of production target for 1977 crop barley. If the leadership cannot be so convinced, then based on his prior commitments, he should announce the 1977 higher target price.

OMB notes that the target price for 1977 barley was set under the old farm bill and that the new farm bill makes the establishment of any target price for barley discretionary with the Secretary. Given the fact that setting the target price is discretionary and that it:

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- can no longer affect 1977 planting decision since the crop is already harvested;
- will cost \$217 million in deficiency payments and \$1 million in additional disaster payments;
- is applied to a crop that is often grown as a rotation crop or winter ground cover, rather than primarily as a cash crop, and is grown by farmers already benefitting from higher targets for wheat, corn and sorghum,

OMB continues to support, as do I, the recommendations repeated above. Thus if the committee leadership can be persuaded, the increase should be avoided, but if they cannot be so persuaded, the Secretary should announce the higher 1977 target price.

THE WHITE HOUSE  
WASHINGTON

December 13, 1977

Charles Schultze

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hatcheson  
cc: The Vice President  
Stu Eizenstat  
Jack Watson  
Tim Kraft

RE: CONSULTATIONS WITH CONGRESSIONAL  
LEADERS ON 1978 ECONOMIC PROGRAMS

THE WHITE HOUSE  
WASHINGTON

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<input type="checkbox"/>		McINTYRE
<input checked="" type="checkbox"/>		SCHULTZE

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<input type="checkbox"/>	CAB DECISION
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<input type="checkbox"/>	WARREN



THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

*Charles*  
*J*

December 12, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CCS*  
Stu Eizenstat *Stu*

Subject: Consultations with Congressional Leaders on  
1978 Economic Programs

Last week, you approved a meeting to make your economic policy decisions on December 19, and a meeting prior to that with principal Congressional leaders. We need your guidance on procedures for each session.

I. Congressional Consultations.

We suggest that at this session, we set out for the Congressional leaders the needs and problems of the economy, as we see them, and discuss with them the alternatives we believe are open to us. In order to preserve your options, and to minimize premature disclosure, we think you should discuss the issues in fairly general terms, indicating, for example, that with respect to the size of tax reduction and the specifics of tax reform you have not made final decisions.

We propose that the meeting follow this agenda:

- A. Economic Outlook and Fiscal Policy. Brief remarks on the economy's likely performance if no tax reductions take place; and a review of the sources of fiscal drag (rising personal tax rates due to inflation and income growth, and social security and energy tax increases). Individual income tax reductions must be made to offset, at least partially, these tax increases. Otherwise, the economy is likely to slow down sharply, unemployment will stop falling, and probably begin to rise. Business tax cuts will also be needed. We would seek discussion among the participants at the meeting on the economic outlook and possible fiscal policy remedies.

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- B. Employment Programs. A briefing on the employment programs we have in place, and programs we are considering for the coming year.
- C. Tax Reform. A briefing on the general outline of the tax reform elements of your tax proposals.
- D. Inflation. Discussion of the inflation outlook, laying before the Congressmen the prospects and risks for prices over the next several years. A general discussion of possible options, without indicating that we are leaning for or against any particular idea, would follow. The point should be made that the government must continue to do its share not to add to inflation, and that we will continue to meet with business and labor in an effort to solicit their cooperation in solving this problem.

We need your approval for this general agenda.

Approve ✓

Disapprove \_\_\_\_\_

We need your guidance, also, on who should conduct the briefing. If you wish to lead it yourself, we will prepare for you a series of briefing papers that would serve as talking points for a sustained discussion. Alternatively, if you wish not to conduct the meeting yourself, Charlie could brief on the outlook and on inflation, Stu could brief on employment policies, and Mike Blumenthal could brief on tax reform.

Approve Presidential Briefing \_\_\_\_\_

Approve Briefing by Charlie, Stu and Mike ✓

Other \_\_\_\_\_

## II. December 19 Meeting.

We need your guidance on attendance at the December 19 decision-making session. We believe that, at a minimum,

the Vice President, Mike, Stu, Charlie and Jim McIntyre should attend. Do you wish, also, to include Juanita Kreps, Ray Marshall and Dick Cooper?

Include Kreps, Marshall and Cooper ✓

Do Not Include \_\_\_\_\_

Other \_\_\_\_\_

JC

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THE WHITE HOUSE  
WASHINGTON  
December 13, 1977

The Vice President  
Stu Eizenstat  
Frank Moore  
Jim McIntyre  
Tim Kraft

*Sec. Clement*  
The attached is forwarded to  
you for your information.

Rick Hutcheson

RE: CONSULTATIONS WITH CONGRESSIONAL  
LEADERS ON 1978 ECONOMIC PROGRAMS

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 12, 1977

BILL SIGNING - H.R. 8422, RURAL HEALTH CLINICS BILL

Tuesday, December 13, 1977

8:45 a.m. (5 Minutes)

The Oval Office

From: Frank Moore *F.M./pd*

I. PRESS PLAN

White House photo only

II. PARTICIPANTS

The President

Secretary Califano  
Secretary Bergland  
Bob Scott, Federal Co-Chairman, ARC

Senate

Herman Talmadge  
Jennings Randolph  
Patrick Leahy  
Bill Hathaway

House

Dan Rostenkowski  
Paul Rogers  
Al Ullman  
Harley Staggers  
Bill Brodhead

III. TALKING POINTS

Prepared by Jim Fallows, included in Stu's cover memo.

THE PRESIDENT HAS SEEN.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

December 13, 1977

TO: Mrs. Carter  
FROM: Kathy Cade  
RE: Attached paper from OMB

Attached is the paper from OMB regarding the action being considered on the three areas in which the Commission made recommendations which related to the current budget cycle.

You should note that in every instance, HEW has taken into consideration the recommendations that the Commission made and in an appeal made on December 6 revised their requests to accommodate the Commission's recommendations.

As you will see, their requests have not been approved by OMB.

## 1979 Budget

### President's Commission on Mental Health (PCMH) Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA)

#### Research

PCMH Recommendation. PCMH recommends increases of 20%, 30% and 35% for mental health, alcohol, and drug abuse research, respectively, amounting to a total of \$221 million--a net increase of \$43 million above the 1978 appropriation level of \$178 million. The Commission states that the "mental research investment . . . is so low that it places in jeopardy the development of new knowledge and the promise of more effective means of prevention and services." PCMH's report states "major opportunities for expanding our base of knowledge still exist" although the Commission has not yet prepared its research plan.

HEW Request. Initially, HEW requested \$189 million for ADAMHA research--\$11 million above the 1978 level and almost \$33 million below the PCMH recommendation. This would maintain current levels for all ongoing activities in ADAMHA research in 1979, as well as provide increases for research on mental illness in the elderly, for research on endorphins' effects on brain activity, and for assessment of prevention and treatment techniques.

Subsequently, on December 6, HEW proposed \$226 million, without justification for the additional \$37 million over the official request.

Initial Presidential Decision. The initial Presidential decision would accept the initial HEW request, but would also include up to an additional \$33 million in the 1979 allowance for contingencies for increases recommended by the President's Commission. These amounts would be sought in a 1979 budget amendment once a specific basic research plan has been developed by PCMH in its final report due April 1, 1978. This allows the President to respond positively to the high priority assigned mental health research by the President's Commission and ADAMHA, based upon final report recommendations and a review by the President's Science Adviser and OMB.

#### Training

PCMH Recommendation. For 1979, PCMH recommends "funds for . . . training . . . at least equal to funds for fiscal year 1978," i.e., \$89 million. PCMH observes that services programs depend upon the mental health personnel who staff them and that manpower development is a long-term process. Changes in or controversies surrounding

Federal policies cause "disruption." Training funds should, however, be targeted on national needs and priorities, e.g., service in community programs, deinstitutionalization activities related to State and county mental institutions, mental health training of primary care practitioners, and minority mental health workers and researchers, and bicultural/bilingual service providers. The recommended levels are necessary, pending completion of a PCMH manpower "needs assessment," and "to avoid further disruption" of mental health manpower training.

HEW Request. HEW's initial 1979 request was \$70 million for mental health training--\$19 million less than the 1978 level. Under HEW's request, mental health clinical training would fund existing commitments only. Research training would be increased by \$2 million. The HEW request reflected the phase-out of general institutional assistance for mental health training.

Subsequently, on December 6, HEW requested \$92 million for training, but with no explanation of the basis for the \$22 million increase, \$3 million above the 1978 level.

Initial Presidential Decision. The initial Presidential decision would hold mental health training to \$58 million in 1979--\$31 million less than the PCMH recommendation and the 1978 level and \$12 million below the HEW request. This reflects an Administration strategy of phasing out, over three years, untargeted Federal subsidies for health professions schools and students, although it would maintain limited support for postdoctoral research fellowships. This proposed phase out reflects the following considerations:

- the supply in these mental health professions is already adequate, i.e., a shortage has not been adequately defined. In any event, increased supply has little demonstrated impact on health status;
- there is no evidence that Federal support is necessary to induce individuals to enter the fields receiving such support and thus, maintain an adequate supply; and
- social equity questions continuation of taxpayer subsidies for training mental health professionals, e.g., psychiatrists, psychologists, nurses and social workers, many of whom enjoy relatively high future income potential.



## Services

PCMH Recommendation. PCMH recommends that "funds for the Community Mental Health Center program for . . . 1979 be at least equal to funds for . . . 1978," i.e., \$289 million.

PCMH states that community mental health centers are not the "only method of providing these services," although CMHCs represent a "good method." "The Commission cannot provide a single blueprint for all communities to use in developing community based mental health services, because each community must have a system that responds to its own needs." Pending completion of PCMH's CMHC program study, "and out of a strong concern that nothing happen that will undermine previous accomplishments and cause a reduction or loss of worthwhile services," PCMH concludes that CMHC funding in 1979 should be at least equal to 1978 funding.

HEW Request. HEW proposes funding the CMHC program at \$305 million in 1979. This is an increase of \$16 million over 1978 but would not include funds to establish new CMHCs. HEW is currently studying the CMHC Act and Federal support for mental health services.

Initial Presidential Decision. The initial Presidential decision would provide \$289 million in 1979 for the CMHC program, at the level recommended by PCMH, but \$16 million below the HEW request. This is consistent with a "hold the line" funding strategy for mental health services pending the PCMH CMHC study and HEW's national health insurance and mental health services efforts.

Moreover, there is a need to address the basic questions of:

- whether a substantial Federal funding commitment, i.e., \$6 to 8 billion, to develop a separate network of 1,500 CMHCs as a "Federal model" of mental health service delivery makes sense or whether mental health services should be integrated with other health services; and
- what constitutes mental health services and the extent to which CMHC services are effective.

## Attachment

Department of Health, Education, and Welfare  
1979 Budget  
President's Commission on Mental Health (PCMH)  
Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA)  
(\$ BA in millions)

3 MH  
7 Drug  
— Alcohol

*concept*

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		1979				
		1978	Oct. 15	Sept. 1	Dec. 6	Dec. 5
		Labor-HEW	Original	PCMH	HEW	Initial
		Conference	HEW	Recom.	Request	Presidential
			Request			Decision
<u>Research</u>						
123	Mental health .....	123	126	147	153	126
	Drug abuse .....	38	45	51	50	45
	Alcohol abuse .....	18	18	23	23	18
	Subtotal; research ...	178	189	221	226	189
<u>Training</u>						
89	Mental health .....	89	71	89	92	58
	Drug abuse .....	11	11	--	11	10
	Alcohol abuse .....	8	8	--	8	7
	Subtotal, training ...	108	90	--	111	75
<u>Services</u>						
289	Mental health (CMHCs) .	289	305	289	305	289
	Drug abuse .....	213	229	--	229	213
	Alcohol abuse .....	142	144	--	144	142
	Subtotal, services ...	644	677		678	644
	ADAMHA program management	7	8	--	8	8
	Total .....	939	964	--	1,023	916

126

(+33) \*

phase out funding  
redirect funds - with 8  
to health manpower  
program now

289

473

(+33) \*

((+33))\*

phase out funding  
redirect funds - into 8  
no health manpower  
program now

*Handwritten signature*

289  
473

\* Up to an additional \$33 million would be included in the 1979 allowance for contingencies for ADAMHA basic research for a possible 1979 budget amendment. This request would be contingent upon review of the PCMH final report research plan by the President's Science Adviser and OMB.

## MEMORANDUM

## THE WHITE HOUSE

WASHINGTON

December 13, 1977

TO: Mrs. Carter

FROM: Thomas Bryant, M.D. *Ten*

RE: 1979 Mental Health Budget

As you know, the President's 1979 Federal budget is in its final stages of development. I am deeply disturbed by what is happening with mental health and I think you will be also.

The 1979 mental health budget, as it currently stands, is \$28 million less than the 1978 appropriation. In addition, the budget is \$64 million less than the Commission recommended in the Preliminary Report.

The Commission made three recommendations which had direct implications for the 1979 budget:

1. Research: We recommended increases of 20%, 30% and 35% for mental health, alcohol and drug abuse research, respectively -- for a total of \$221 million or \$43 million more than for 1978.

The budget, as it stands now, asks for \$189 million, i.e. \$33 million less than the Commission recommended. (The \$33 million will be held in a "contingency fund" pending approval of our final report by OMB.)

2. Training: The Commission recommended keeping mental health training levels at the same for 1979 as they were for 1978 -- \$89 million.

The current budget calls for a decrease in training funds for 1979 to \$58 million or \$31 million less than the Commission's recommendation.

3. Services: The Commission recommended keeping the funds for CMHC's at the same level for 1979 as it was in 1978 -- \$289 million, and the current budget does that.

The 1979 budget request of \$473 million does not incorporate the Commission's recommendations in two areas -- research and manpower training and falls seriously short of even the 1978 appropriation of \$501 million for mental health.

As you will recall from the Preliminary Report and from our visit with the President, the Commission felt it had clearly and persuasively documented the need for and the justification of these recommendations. They did not involve enormous new funding levels, but they were

responsive to needs presented to us by experts and citizens alike. We felt strongly about them.

If the budget as it currently stands becomes final and is presented to the Congress, then I think we will have very serious problems maintaining the credibility of the Commission and even with a number of the members of the Commission. As you know, they have functioned remarkably well as a group. They have worked diligently and with dedication, and their efforts so far have been taken seriously by those in the mental health field and by the general public.

Their preliminary recommendations were made in order to impact on the present budget cycle. I feel very strongly that we should ask the President to reconsider these initial decisions.

THE WHITE HOUSE  
WASHINGTON

December 14, 1977

Zbig Brzezinski

The attached is forwarded to  
you for your information.

Rick Huteson

RE: DEFENSE BUDGET



THE PRESIDENT HAS SEEN.  
EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

C

December 13, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM MCINTYRE

*Jim McIntyre*

SUBJECT:

Defense Budget

You asked for a very brief statement of our current differences with Harold's Defense budget position. While Harold has not yet reached his final position, our most recent information is that he is planning for a level of about \$130 billion in TOA compared to our proposed level of \$125 billion. Major differences between us at this stage include:

	<u>\$ Billions</u>
1. Level of RDT&E (Including such major weapons as the MX, FB-111H bomber, and the AMST transport)	1.3
2. Shipbuilding Program	1.7
Aircraft carrier long-lead	\$ .1
Cable layer ship	.2
Nuclear Aegis cruiser	1.1
Destroyer tender	.3
3. AWACS (3 aircraft in FY 79, for total of 22)	.3
4. Operational Test & Evaluation (Defer production on systems until OT&E milestones complete: Copperhead, Lasar, Maverick, EF-111A, etc.)	.3
5. Army Procurement (20% vice 43% real growth)	.5
6. Military Personnel Costs	.4
Junior enlisted travel	.1
Military training	.2
Transients	.1
7. All Other	.5
<i>operation &amp; Maintenance? \$238 diff.</i>	

*S.O.*

Because our OMB issue scrub yielded a level of \$123B, we would add back certain items to reach our \$125B. These numbers are all changing and may be significantly revised as a result of Secretary Brown's re-ranking, and at our meeting with him tomorrow. I hope this is not too cryptic for you.

THE WHITE HOUSE  
WASHINGTON

12/13/77

Mr. President:

Jim Gammill responds that  
the law creating the Com-  
mission mandates a membership  
of 15 persons:

- 5 elected officials
- 5 neighborhood group  
representatives
- 5 public representatives

Rick

*ok*  
*J*

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

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December 12, 1977

*Jim -  
Why so many?  
J*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES F. GAMMILL, JR. *JFJ*

SUBJECT:

Presidential Appointments

I recommend that you approve the following-named persons to be Members of the National Commission on Neighborhoods. (New Positions):

Ethel D. Allen, (R), of Pennsylvania.

Anne Bartley, (I), of Arkansas.

Nicholas R. Carbone, (D), of Connecticut.

Gale Cincotta, (I), of Illinois.

Harold W. Greenwood, (D), of Minnesota.

Maynard Jackson, (D), of Georgia.

Norman Krumholz, (I), of Ohio.

David C. Lizarraga, (D), of California.

John McClaughry, (R), of Vermont.

Victoria M. Mongiardo, (I), of Maryland.

Arthur J. Naparstek, (D), of the District of Columbia.

Robert B. O'Brien, Jr., (R), of New Jersey.

Macler C. Shepard, (I), of Missouri.

Peter S. Ujvagi, (D), of Ohio.

Bathrus B. Williams, (R), of the District of Columbia.

Dr. Allen, Ms. Bartley, and Messrs. Carbone, Jackson, and Krumholz are elected officials of local governments involved in preservation programs.



THE WHITE HOUSE  
WASHINGTON

December 13, 1977

Bob Lipshutz

The attached letter to Coach Dodd was returned in the President's outbox today and is forwarded to you for appropriate handling and mailing.

Rick Hutcheson

cc: Hugh Carter

RE: BIG HEART AWARD

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 12, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Letter to Coach Bobby Dodd  
(Per Your Request)

As you requested, attached at Tab A is the letter to Bobby Dodd for inclusion in the Souvenir Journal of the Big Heart Award banquet.



THE WHITE HOUSE

WASHINGTON

December 12, 1977

To Coach Bobby Dodd

Congratulations on being named the first recipient of the "Big Heart Award."

I am pleased to join your family, friends and fellow citizens in this recognition of your outstanding service to your community and to the Atlanta Association for Retarded Citizens.

Sincerely,

*Jimmy Carter*

Mr. Robert L. Dodd  
267 Robinhood Road, N.E.  
Atlanta, Georgia 30309

*p.s. You have been an inspiration  
to me and other Tech Alumni -  
J.C.*



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

2:00 PM

THE PRESIDENT HAS SEEN.

MEETING ON THE 1979 BUDGET  
Tuesday, December 13, 1977  
2:00 P.M. (two hours)  
The Cabinet Room

From: James T. McIntyre, Jr.

*Jim McIntyre*

I. PURPOSE

To present 1979 budget issues and recommend related policy guidance for the Urban Initiative. Supporting materials are included in the attachment. Additional material is available on request.

II. PARTICIPANTS

The Vice President  
Hamilton Jordan  
Jody Powell  
Stuart Eizenstat  
Charles Schultze  
Jack Watson  
James McIntyre  
Bowman Cutter  
Dale McOmber  
Dennis Green  
Hubert Harris  
Frank Moore  
David Rubenstein  
Bert Carp

Marcie Kaptur  
Frank Raines  
Mark Gordon  
Howard Smolkin  
Donald Derman  
Barry White  
Joseph Mullinix  
Kenneth Ryder  
John Carey  
Nicholas Stoer  
Vincent Puritano  
Bruce Davie  
Lester Salamon  
Harrison Wellford

Attachment -

*Revised to McIntyre 12/13/77*

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MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

13 December 1977

TO: THE PRESIDENT  
FROM: RICK HUTCHESON  
SUBJECT: Memos Not Submitted

1. MIDGE COSTANZA MEMO asking that you direct the Presidential Personnel Office "to request hiring information from individual personnel offices in the agencies on a monthly basis and that this information be passed on to you." Midge says that it is public knowledge that the Personnel Office has the responsibility for monitoring affirmative action in the agencies; that, at present, the Personnel Office is gathering only incomplete data; and that, as a result, "possibly inaccurate percentages, which reflect badly on the Administration, are being quoted."

Jim Gammill sent you some data on November 3, which you decided not to release. Gammill's response to Midge's memo is that his office is collecting the raw data from departments and agencies. By Christmas, he plans to have for your review complete demographic information about noncareer appointments in the previous Administration (for purposes of comparison) as well as this Administration, for possible public release.

2. PAUL SULLIVAN (DNC) MEMO regarding the DNC's direct mail efforts. Sullivan says that most lists in the most recent mailing are pulling 50% less than they pulled in the May mailing. To judge from the letters of persons who sent comments instead of contributions in response to the DNC mailing, there are two major reasons: (1) failure of the Congress to support the President's initiatives; and (2) the President's Middle East policy.
3. HUGH CARTER NOTE asking whether you wish to review the 1979 White House Office budget before it is submitted to OMB. (OMB will then group it with other EOP budgets to be submitted to you.)

\_\_\_\_ yes    ☒ no

*Tell OMB I haven't  
seen or approved it*


tell Hugh President did not want  
to review the budget first - but  
when Hugh gives the budget to  
OMB he should make clear that  
the President has not yet seen  
or approved it

THE WHITE HOUSE

WASHINGTON

December 13, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER   
SUBJECT: 1979 White House Office Budget

The 1979 budget for the White House Office has been completed. Normally, it goes to OMB and is grouped with other EOP budgets to be submitted to you. Since this is your personal staff budget, I thought you might like to see it before it goes to OMB.

My office prepared it, and our internal Management Committee will review it tomorrow.

\_\_\_\_\_ Set up a short review for me before it goes to OMB.

\_\_\_\_\_ I will wait and see it when OMB submits the rest of the EOP budgets.



THE WHITE HOUSE  
WASHINGTON

December 13, 1977

Hamilton Jordan

The attached is forwarded to  
you for your information.

Rick Hutcheson

RE: MAILING

# DEMOCRATIC

NATIONAL COMMITTEE 1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

---

## MEMORANDUM

From: Tricia Segall  
To: President Carter  
Thru: Paul Sullivan

---

The President's Club of the Democratic Party recently mailed approximately 2.7 million pieces of mail inviting people to join the club. We have received over a thousand hand written letters from people who have received the letter.

Small contributors to the Democratic Party are deeply upset by the failure of Congress to support the initiatives made by the President. During the month of October, over thirty percent of correspondence received from this group, the backbone of the Party's finances, stated that they were troubled with those Senators and Congresspeople who, as one individual stated, "are more concerned with their personal power than with the needs of the nation and the world."

Sixty percent of our mail came from people who had previously given to the DNC. Most of these were concerned with Congressional inaction and they refused to donate. A typical comment was, "I would support a Jimmy Carter Fund, but not a Democratic Party Fund. Why? There is a Democratic Congress but the Congress does not support your plans for energy and other reforms in government." Such refusal is conservatively estimated to have cost the Party \$40,000 during the month of October alone.

The more emotional and personal issue of Middle East policy ranked second among Democratic contributors, but first among those who had not contributed in the past. Twenty-two percent of the correspondence from loyalists and nearly half from others were concerned with this issue.

While these two issues far outweighed the others mentioned, a significant volume of mail was received concerning nine other issues. Of these, the heaviest response concerned protests over the cut-off of federal funding for abortions.

page 2.

The Canal Treaties ranked next in importance, with support greater than opposition among loyalists and breaking even among non-contributors who were contacted.

The general feeling that the Administration is not liberal enough was also heavily mentioned. The Lance affair and the moral stance of the Administration, which had been the main object of concern in September, dropped off greatly.

Other issues which produced heavy mail were the problems of the elderly, low farm prices, inflation, unemployment and the energy crisis.

We had two ways to judge this mailing. The hand written mail we received as well as our May mailing signed by Vice President Mondale. In May we mailed many of the same lists as a test that we have recently mailed. Most lists are pulling 50% behind what they pulled in May. An example would be N.O.W.'s list and MS. magazine's list. These lists did well in May and are barely breaking even at this point.

I need to mention that this is not a scientific poll, but I feel that it is a very relevant reflection of the feelings of the American people.

THE WHITE HOUSE

WASHINGTON

December 8, 1977

MEMORANDUM FOR: THE PRESIDENT

From: Margaret Costanza *mc*

Subject: Affirmative Action Monitoring Program

Several months ago, it was made known through the Press Office that Presidential Personnel would take the responsibility of monitoring hiring in the Agencies for affirmative action. Interest groups and the media regarded this as further evidence of your sincere, personal commitment to the appointment of women and minorities to policy-making positions in this Administration.

Since that time, Presidential Personnel has gathered only partial information. The data they have is based on an incomplete response to questionnaires sent to all Schedule C and NEA (Non-Career Executive Appointments) appointees. I believe also that the Cabinet Secretaries of some of the Agencies have required that their personnel offices report to them regularly on affirmative action hiring. But this is certainly not the case in all the Agencies.

The result is that possibly inaccurate percentages, which reflect badly on the Administration, are being quoted.

While I recognize the manpower limitations of a scaled down Presidential Personnel Office, I hope that the assignment still stands.

I urge that you direct the office to request hiring information from individual personnel offices in the Agencies on a monthly basis and that that information be passed on to you.

I believe this would furnish you the information needed for reevaluation and, if necessary, action as well as allay doubts the public may have regarding this Administration's commitment to affirmative action goals.

THE WHITE HOUSE

WASHINGTON

*How will this be handled?*

Date: December 8, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan ~~attached~~ *nc by phone*  
Jody Powell *attached*  
Jim Gammill - *attached*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Costanza memo dated 12/8/77 re Affirmative Action  
Monitoring Program

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Saturday

DATE: December 10, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*Bill - They  
are going to  
comment?*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

MAILGRAM SERVICE CENTER  
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western union



16 MI  
4-024305E339 12/05/77 ICS IPMMTZZ CSP WSHB  
2023474456 MGM TDMT WASHINGTON DC 100 12-05 1225P EST

► *mc*  
PRESIDENT JIMMY CARTER  
WHITE HOUSE  
WASHINGTON DC 20500

DEAR PRESIDENT CARTER:

THE 50 ORGANIZATIONS IN THE COALITION FOR WOMEN'S APPOINTMENTS URGENTLY  
REQUEST BREAKOUT BY RACE AND SEX OF ALL SCHEDULE C APPOINTMENTS MADE BY  
YOUR ADMINISTRATION.

MEDIA IS PRESSING US FOR YEAR-END REPORT ON HOW WOMEN HAVE FARED UNDER  
YOUR TENURE. WE BELIEVE THESE STATISTICS HAVE ACTUALLY BEEN COMPILED.

LOOK FORWARD TO IMMEDIATE RELEASE OF RELIABLE DATA ON APPOINTMENTS IN  
EACH CABINET DEPARTMENT AND AGENCY

JANE PIERSON MC MICHAEL  
CHAIR  
COALITION OF WOMEN'S APPOINTMENTS

12:25 EST

MGMCOMP MGM

THE WHITE HOUSE  
WASHINGTON

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
/		JORDAN
		LIPSHUTZ
		MOORE
/		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
/	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

Date: December 8, 1977

MEMORANDUM

## FOR ACTION:

Hamilton Jordan  
Jody Powell  
Jim Gammill

## FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Costanza memo dated 12/8/77 re Affirmative Action  
Monitoring Program

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Saturday

DATE: December 10, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☐ I concur.

☒ No comment.

Please note other comments below:

(I am not aware of any "possibly inaccurate percentages, which reflect badly on the Administration, are being quoted." I will be glad to discuss specific rebuttals with Jody, Rex, & Midge. The President has not withdrawn his initial request, and the departments are continuing to submit the raw data.)

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)



Date: December 8, 1977

MEMORANDUM

## FOR ACTION:

Hamilton Jordan  
Jody Powell  
Jim Gammill

## FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

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TIME: 12:00 Noon

DAY: Saturday

DATE: December 10, 1977

## ACTION REQUESTED:

☒ Your comments

Other:

## STAFF RESPONSE:

☐ I concur.☐ No comment.

Please note other comments below:

*I think monthly may be  
 too frequent. However, we should  
 keep track of how we are doing as  
 compared to previous administrations.*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required  
 material, please telephone the Staff Secretary immediately. (Telephone, 7052)

*non-career  
 Xmas, a follow up  
 report  
 by 1:30 time  
 accurate previously*

THE WHITE HOUSE

WASHINGTON

December 8, 1977

MEMORANDUM FOR: THE PRESIDENT

From: Margaret Costanza

Subject: Affirmative Action Monitoring Program

Several months ago, it was made known through the Press Office that Presidential Personnel would take the responsibility of monitoring hiring in the Agencies for affirmative action. Interest groups and the media regarded this as further evidence of your sincere, personal commitment to the appointment of women and minorities to policy-making positions in this Administration.

Since that time, Presidential Personnel has gathered only partial information. The data they have is based on an incomplete response to questionnaires sent to all Schedule C and NEA (Non-Career Executive Appointments) appointees. I believe also that the Cabinet Secretaries of some of the Agencies have required that their personnel offices report to them regularly on affirmative action hiring. But this is certainly not the case in all the Agencies.

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I believe this would furnish you the information needed for revaluation and, if necessary, action as well as allay doubts the public may have regarding this Administration's commitment to affirmative action goals.

THE WHITE HOUSE  
WASHINGTON  
December 13, 1977

10:30 a.m.

*Susan -  
I know her well  
& for a long time  
J*

Susan:

You may wish to remind the President that his time scheduled with me for today is being turned over to Clare Crawford of People Magazine.

Clare is to see him for 15 to 20 minutes to do a sort of summary story of the year. It will be more of personal feelings and reactions to the year than issue-oriented or political.

The President last talked at any length with Clare in London at the Economic Summit.

Stan Tretick will be in the room to make candid shots for at least the first portion of the interview. A stenographer will also be present.

JLP

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

December 13, 1977

Stu Eizenstat

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: URBAN POLICY

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
/	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 12, 1977

*Stu -  
I'm not making  
any final decision  
on this memo - Just  
indicating opinions  
J*

CONFIDENTIAL

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
BERT CARP  
SUBJECT: Urban Policy

This memorandum is to provide you briefly with necessary background.

OVERVIEW

There are several major problems with the work done by the Urban and Regional Policy Task Force -- perhaps because of the great complexity of the issues and the relatively short time-frame. These include:

- Insufficient emphasis has been placed on analyzing and improving the delivery of existing programs. In fact, because of the way federal statistics are gathered, we still have no satisfactory figures on the local and regional distribution of major programs. *agree*
- Exclusive focus has been given to distressed cities. While I agree that federal funding should be targeted on areas of need, I believe it is a political and substantive mistake not to analyze the problems faced by other communities. Moreover, large amounts of federal money (through such programs as general revenue sharing) do flow to cities other than those suffering the worst distress -- and should clearly be included in any urban policy. *agree*
- While the Task Force Report recognizes that the role of the states is critical, the report does not thoroughly analyze the federal/state/city relationship or provide new direction in this area.

- 2 -

- It is clear that many of the difficulties in this area are organizational in nature, and the Task Force has not dealt with this issue (in part because of work underway by the OMB Reorganization Project).
- The Task Force draft report recommends a very broad and expensive agenda of new federal spending -- \$20 billion or more. Unfortunately this document has been circulated widely (without clearance from my office or OMB). A number of press reports based on this document have speculated on a \$6-10 billion program. While my impression is that sophisticated mayors and governors do not really expect us to propose so much spending, we can look for sustained criticism from the Black Caucus and other Democratic liberals when we propose a more modest initiative.

#### RECOMMENDED APPROACH

In my view, the announcement we make next March should be billed less as a final, comprehensive urban program than as a first step in a continuing policy and reorganization effort. Our message should:

*agree*

- Define broad policy principles, and commit us to a long-term effort (through programmatic revision and reorganization) to make federal programs more responsive to these broad goals. This effort must be seen as a partnership of federal, state and local government, the private sector and community organizations. Perhaps some joint coordinating and study mechanism should be established.
- Summarize this Administration's current proposals to help cities and their people (welfare reform, UDAG, CDBG), and announce several new policy and organizational initiatives in pursuit of our general goals. It should not attempt to be the final cure-all. These new initiatives might include:
  - Measures to improve and streamline planning and delivery of existing programs. ✓
  - Increased targeting of several existing programs to insure that federal resources are spent, as much as possible, in areas of greatest need. ✓

*ok*

- 3 -

- Steps to encourage the states, the private sector, and community organizations to play a larger part in assisting urban areas.
- Modest new spending to encourage greater development of depressed local economies, and to repair decaying local physical infrastructures.

*Include  
Rosalynn  
in This*

#### KEY PROBLEMS

- Reorganization. Economic and community development initiatives are presently widely scattered throughout the government. A major reorganization study by OMB is underway.

However, in my view, it is unlikely that we will be able to complete our planning and consultation on these extremely sensitive changes in time to realistically expect enactment next year. In addition, our reforms will probably contemplate moving UDAG to Commerce. If announced next year, this proposal will be seen as a major slap at Secretary Harris. Finally, any such reorganization would be very sensitive on the Hill. Its prospects would be questionable next year given the many claims on Congressional attention. However, if next year is spent carefully building a base, an economic and community development reorganization might have better prospects in 1979.

I believe we should ask the OMB Reorganization Project to focus early this year on establishment of a coordinating mechanism which can begin to work on the worst problems and lead gracefully into a major reorganization next year.

*ok*

In addition, one of the major recommendations which we and OMB will make to you is a new program for capacity building and program coordination at the state and local levels. State and local governments would be given assistance in developing and staffing economic development units which could bring together in one place planning and policy functions for major development programs -- CDBG, CETA, Housing, EDA assistance and Transportation.

*ok*



- Development Bank. Since early this year the Treasury Department has been working on a Development Bank which would combine grants with sub-market loans to encourage private development in distressed urban and rural areas. HUD has proposed a more ambitious Bank which would provide deeper subsidies, take greater risks, and require higher outlays. We have the following concerns:
  - It is questionable whether we want to create an additional free-standing government agency engaging in economic development grants and loans, and to some extent overlapping with similar activities carried out in other agencies.
  - If the Bank is made independent (as some advocate) subject to a Presidentially-appointed board, coordination and control of economic development over the long run may become much more difficult.
  - New economic development activity should be expanded slowly and at a low outlay level, to permit us to evaluate the results of UDAG and other new development initiatives prior to making a substantial new funding commitments. After reviewing the results of new economic development activities to be funded in 1979, we can redirect existing resources to better meet our objectives.
  - If the Bank operated as a direct loan agency, as originally proposed by Treasury, there would be strong congressional pressure to place the entire program, with a \$20 billion loan portfolio, "on budget".

I am recommending tentative approval of a much smaller initiative, one-fourth the size of the Treasury proposal, to be lodged in an existing agency -- probably the Commerce Department's Economic Development Administration. It would be closely coordinated with existing HUD and EDA grant programs. It would not be based on direct loans which could be made "on budget", but on loan guarantees with a much lower budget exposure. I agree with Treasury that these tools may have an important impact. If the program is successful, it could later be expanded.

- Social Services. We have explicitly not recommended major increases in Social Services programs, with one exception. The reason is that most social services are presently delivered through a state/county mechanism, and we have seen no proposal which we are convinced that makes programmatic sense for meaningful concentration and coordination of these programs in urban areas. Moreover, we are not convinced as a matter of priority it is as important as employment and development efforts. (We will be criticized on this point.)

ok

The one exception that we have made is in the area of education. Education presently consumes about 40% of state/local resources, and a number of urban school systems are suffering severe fiscal strain. Many urban areas (and some rural areas) have both high concentrations of disadvantaged children who are more expensive to educate, and overburdened revenue bases. We are therefore recommending a targeted addition to the existing Title I compensatory education program, with a 50% state matching requirement. While all school systems with a high concentration of low income children would receive this aid, cities would benefit substantially. Where states have existing compensatory state education requirements, these could be used to make up the share.

Cost?

#### CONCLUSION

This memorandum is simply a discussion of several of the most troubling questions. Our recommendations are incorporated in the OMB materials which you will be receiving this evening. We have worked closely with OMB in preparing this presentation. Their cooperation and the quality of their staff work has been truly extraordinary.

We are not seeking final programmatic decisions at tomorrow's meeting. We seek budget guidance (which will result in a tentative allowance until final programmatic decisions are made) and tentative policy guidance which will permit us to concentrate agency work in the most productive areas. It is important for you to meet with Secretary Harris and other key cabinet members before final programmatic decisions are made.